

From the desk of Attorney General Bob Cooper



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Attorney General Warns Job Seekers to Be Wary of “Work-at-Home” Ads

In a severe recession when jobs are scarce and pennies must be pinched, the prospect of making good money from working at home is almost too good to be true. Unfortunately, the Tennessee Attorney General’s Office has found that to be the case – too many work-at-home schemes promise the moon but bring disappointment and financial loss.

This office has a history of pursuing unscrupulous companies and individuals who try to take advantage of Tennesseans struggling to make ends meet. In these uncertain times, with unemployment rates in many counties in the double digits, my office encourages job seekers to be wary and do careful research on all leads, especially job advertisements offering “work-at-home.”

A consumer recently called our office to ask if there are “any legitimate” work-at-home jobs. She had quit her job in another state to come here to care for her elderly parents. For obvious reasons, she could not leave the house to work full-time, but she needed to pay her bills. Of course, we could not direct her to any specific firm. But there are legitimate work-at-home opportunities that are very competitive, managed professionally, and involve extensive training and/or experience. What we could tell her is that, unfortunately, most of the “work-at-home” jobs we hear about in the Attorney General’s office are those which are under investigation.

In the past, this office has taken action against companies promoting “Make money from envelope stuffing” or “Get \$1,000 for every magazine lying around your house.” In the latter case, the scammer enticed consumers to buy books and other products that were alleged to help people make money with his “business opportunities.” He promised “guaranteed refunds,” which he failed to honor. The office also took action against a New York firm that recruited Tennesseans to work at home by offering annual earnings of up to \$150,000 for 40 hours a week filing medical claims electronically. The catch was that the company required an investment of \$6,995 plus other hidden costs and could not substantiate its claims.

Other work-at-home scams may engage an unwitting victim in serious criminal activity. Some job seekers sign up to be a “mystery shopper,” receiving fraudulent checks with instructions to cash the checks and wire the funds to “test” a company’s services. Victims are told they will be compensated with a portion of the merchandise or funds. The victim is left responsible for repaying the fraudulent check amount and is out the wired funds.

Work-at-home job seekers are often hired to “process payments,” “transfer funds,” or “reship products.” These job scams involve the victims receiving and cashing fraudulent checks, transferring illegally obtained funds for the criminals, or receiving stolen merchandise and

shipping it to the criminals. When investigators follow the trail of fraudulent activity, it leads to the work-at-home employee rather than the true criminals.

Job scams often provide criminals the opportunity to commit identity theft when victims provide their personal information, sometimes even bank account information, to their potential "employer." The criminal employer can then use the victim's information to open credit lines, post on-line auctions, register websites, and conduct a number of illegal activities in the victim's name.

The list of potential scams goes on and on. As in other areas of consumer fraud, the internet has expanded legitimate employment opportunities but also created traps for the unwary. Every consumer, especially those struggling to find a job, can help themselves by watching for red flags and taking time to stop and carefully consider if a "job" or "opportunity" makes sense.

The Attorney General's Office wants to remind consumers of a few tips that may help them weed out potential bad actors:

- * Do not pay an upfront "job application processing fee." This is a ruse often used in classified ads offering to help you find "federal jobs" such as with the U.S. Postal Service. Federal agencies do not charge application fees or guarantee an applicant will be hired.
- * Be wary of any offer that does not a regular salary or involves an unfamiliar overseas company.
- * Avoid "opportunities" that involve stuffing envelopes or assembling crafts, as these activities generally profit only the promoters and often involve chain marketing.
- * Ignore those ads that urge you to "act now" or use other high pressure tactics.
- * Ask specific questions about payments, hours, fees, etc.
- * "Free" should mean free. If you have to pay upfront fees for materials, details, or training, walk away.
- * Protect your social security number, bank account numbers, and credit card numbers.
- * Use common sense and do research, and don't base your decision to work at home on emotion. It is unlikely you will make \$1,000 a week stuffing envelopes at home.

To check on whether a company has had complaints against it or to lodge your own complaint, you can contact the Division of Consumer Affairs at www.tn.gov/consumer or (615) 741-4737 or toll-free in Tennessee at 1-800-342-8385 and the Better Business Bureau in your area.

To see additional examples of "work-at-home" and other job scams, you may want to review the web site <http://www.lookstoogoodtobetrue.com>.